

GREENHEAD COLLEGE CORPORATION
Minutes of the Finance & Estates Committee meeting held in Room G17
Monday 10 October 2022, 4.30pm

Govs present: Adrian Barrass; Chris Kneale; Craig Shannon; John Holroyd (Chair); Mohammed Usman; Richard Armstrong (Vice Chair); Simon Lett (Principal)

In attendance: Sharon Roper (Clerk)

Apologies: Ian Lavan; Lisa Wilkinson; John Blake; Sarah Celensu

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies, chairing	JHO welcomed participants. Apologies as above.	
2. Declarations	No declarations of pecuniary/prejudicial interest.	
3. Minutes 13/6/22	<p>3.1 Minutes 13/06/22, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p>3.2 Matters arising not covered on agenda:</p> <p>1. Min 4.14, JBL absent from the meeting on 13/6/22, JHO will carry over asking JBL about improvements to spreadsheets that can reduce errors at the next meeting.</p> <p>2. Min 6.4, the new IT apprentice has completed the data analysis on the Benchmarking Spreadsheet. JBL is working on a narrative to go with the document, and it will come to the next committee meeting (14/11/22). JHO asked if committee members had made suggestions about what they wanted to see in the analysis, SLE replied that he and JHO had input their ideas, the document looks at approximately 25 areas, benchmarking Greenhead against comparable 6th form colleges and this data relates to 2019.</p> <p>3. Long Term Forecast – CSH said although we're waiting for the costs for estate development the long-term forecast baseline needs updating with factors like student recruitment and pay awards.</p>	<p>Clerk</p> <p>JHO</p> <p>JBL/ Clerk for agenda</p>

	<p>RAR said he is interested in being able to change the variables by different percentages and how this affects the forecast. JHO said the committee members need to see a long-term forecast before the Strategy Day.</p> <p>The governors requested the following scenarios: -Different pay rates. -Student numbers and plus or minus 50 students, as students do drop out, knowing what 50 students equate to will help. -Self-funding building on Huddersfield Infirmary site. -Capacity Fund bid contribution to building on Infirmary site. -Trust scenario. -Free School, and contribution from Greenhead. -Inflation.</p> <p>ABA said the base case should contain figures that are business as usual. RAR said the chancellor is making a financial projection on 31/10/22 which may confirm funding increases. SLE said a decrease in funding also needs to be considered. CSH asked how this information will be used and will there be a timeline for governors to make decisions. SLE will run through 6 scenarios on the Strategy Day and will start with the assumption of 'doing nothing' and will present the bottom-line figure of the scenarios so as not to overload governors with numerous spreadsheets. JHO requested that the assumptions for the base case are sent to committee members before the numbers are amended so governors can give feedback if they want.</p>	<p>SLE</p> <p>SLE</p> <p>SLE/JBL</p>
<p>4. Accounts</p>	<p>Committee considered July 2022 management accounts & narrative, previously circulated, these were also discussed at Corporation meeting 3/10/22.</p> <p>1. RAR wanted to know if there was a material difference between the figures from March to July, JBL was not in the meeting to respond to this question. 2. JHO believes that August and September management accounts should be available irrespective of the external audit currently taking place. ABA added how can the senior team manage without the financial information.</p>	<p>JBL</p>
<p>5. Financial KPI's</p>	<p>Financial KPI's, previously circulated, SLE summarised that intended out-turn is 67% based on the income for the students enrolled in 2021, the Outstanding Financial health score has been maintained, and end of year surplus is projected to be £2.2 million.</p>	

	<p>RAR asked how much the payroll costs percentage will change depending on the teachers pay award as their union have requested 11%, SLE said depending on the pay award this will change the percentage considerably. He said the SFCA has indicated that the union for support staff will settle at 5.48% which will cost the college an additional £12000 over budget.</p> <p>CSH asked for a reminder of what has been budgeted for teachers pay, SLE replied 3.5% with an extra 1.5% contingency. CSH asked if the additional 1.5% is included in the 67% payroll cost and SLE confirmed it is.</p> <p>CSH said that the college has always worked towards a 70% KPI of payroll costs against income and that 67% this year is an accident of timing. SLE said this is the KPI for 22/23 and asked for the rest of the decade do we hit the ESFA benchmark of 70% or have a different figure.</p> <p>JHO said some key income and costs were known (this year's ESFA income, next year's student numbers after day 42 for the purposes of next year's ESFA income and staff costs (subject to finalisation of the current pay claim) and this should provide a baseline for the long term forecast to be discussed at the forthcoming strategy day.</p> <p>RAR asked if the KPI should be 68-70%, ABA said the parameter may need resetting depending on the pay award, CSH said the budget and the KPI's may need to be looked at again during the year. RAR said the overall bottom line of the budget needs managing rather than the individual elements.</p> <p>SLE said SFCA have always amicably settled pay awards with the unions, but this year there is no college that can afford to even settle at a halfway point of 8.5%.</p> <p>RAR summarised that the key KPI is the end of year surplus to potentially fund capital, but the governors do not want to see the payroll to income KPI going above 70%.</p> <p>JHO said he wants this back on the agenda again at the next meeting (14/11/22) as he doesn't want SLE to make cuts that impact small, medium, and long term, without a further discussion.</p> <p>KPI's agreed by the committee.</p>	Clerk for agenda
<p>6. Review Draft Site Maintenance Plan</p>	<p>JBL has updated the plan with completed works and it lists works to be done this year and in future years.</p> <p>CKN asked when the caretaker's house will start to be used for its new purpose. SLE said it will be used next week for the job interviews for Director of Strategic Operations and Delivery. This building will be known as Greenhead House and will be used for meetings and interviews and at least one support team will be based there permanently.</p> <p>RAR queried replacement boilers and stripping out asbestos still being in the work to be considered in 1-3</p>	

	<p>years section. SLE confirmed this work has been completed and needs updating in the plan.</p> <p>RAR said college heating needs updating in the sustainability section to reflect that new boilers have been installed.</p> <p>ABA noted that depreciation is not mentioned in the plan, CSH said that in the forecast depreciation is allocated to maintenance of the site.</p> <p>ABA asked if a warranty will be issued by DfE or GT on the new build, JHO said that details of the warranty should be understood, and this may need to be added to the new build risk register.</p>	<p>JBL</p> <p>JBL</p> <p>SLE</p>
<p>7. ONS potential reclassification of sixth forms</p>	<p>SLE confirmed the report has not been published yet but it is due in October.</p> <p>If moved to the public sector it's still not clear if the college will benefit from VAT, and a decision is expected about commercial borrowing.</p> <p>ABA asked how this will affect the scenarios being produced (<i>min 3.2.3 above</i>), SLE replied this will be discussed more at Strategy Day under the academisation section.</p>	
<p>8. New Build Risk Register</p>	<p>Nothing further to add.</p>	
<p>11. Covid Risks</p>	<p>DfE have not issued updated covid guidance since February 2022, covid numbers are rising and a watching brief is required.</p>	
<p>12.Policies to review</p>	<p>None on this occasion</p>	
<p>11. Updated Terms of Reference</p>	<p>Tor, previously circulated, RAR highlighted the changes, the purpose of the committee is to act and advise and the Terms of Reference has been amended to reflect this delegated authority.</p> <p>CSH asked if governors could use their judgement about making a decision or escalating to Corporation. RAR said the delegation relates to existing policies and suggesting amendments.</p> <p>This was approved by the committee.</p>	

12. Amended Standing Orders

RAR said additional changes have been made to the standing orders and schemes of delegation since they were previously circulated.

Changes include:

1. Corporation has the ability to ask a committee to reconsider a change in policy.
2. A committee can make recommendations to Corporation so it can still act in an advisory capacity.
3. Delegated authority goes to the committee, they make a decision, it comes to Corporation for information, Corporation can ask for it to be reconsidered, otherwise it is approved.
4. The formal register is no longer required in meetings, instead the clerk records attendance.
5. If a meeting is not quorate the meeting can continue in an advisory capacity and to receive information, no decisions can be made.
6. Working groups have been removed and are the responsibility of SLT.
7. If Chair or Vice-Chair's term as governor runs out before the Chair or Vice -Chair term ends, this is automatically renewed up until the date their term of office ends.

CSH used an example of agreeing a £10 million spend on a new build and asked how this is reflected in the standing orders. RAR said if this was in a policy, a committee could agree that change but there is no policy that covers a spend of this level, SLT have a limit of £158,000 spend that doesn't need prior approval, this has never been used and SLT have always come to Corporation for large expenditure. There is no delegated authority to any committee to spend capital.

RAR said any new policy has to be approved by the Corporation.

JHO asked if there any risks with this structure, RAR replied that a risk is if nobody identifies an issue with a policy, but the committees have balanced membership and the policies go to Corporation after approval giving governors opportunity to question the policy.

CSH asked about the delegation of financial responsibility, RAR has asked governors to contact him about any issues with the scheme of delegation in all the committee meetings, the amended scheme of delegation and standing orders will go to Corporation (5/12/22).

CSH said RAR receives feedback that Corporation meetings last too long because all decisions go to Corporation for agreement and could this be an opportunity to push more out to committees. RAR said he has received

Clerk for agenda

	<p>little feedback from governors to the amendments he has made.</p> <p>RAR said he has received a question asking why parent governors are only appointed for 3 years. A discussion regarding this included whether elections were the best way to appoint parent governors, should parent governor appointments be staggered so they are not new governors at the same time. The consensus was to keep the parent governor term of office as 3 years.</p> <p>CSH asked about the terms of office that associate governors have, RAR said they are appointed for a set period or for a set purpose and then it's reviewed.</p> <p>RAR will recirculate the amended versions of standing orders and scheme of delegation.</p> <p>JHO thanked RAR for his work with the standing orders and schemes of delegation.</p>	RAR
15. Any Other Business	<p>MUS asked about attrition rates for A1 students, SLE confirmed the number of students leaving has increased in the past year.</p> <p>RAR said the number lost in the first 42 days last year was low, he asked when day 42 falls this year, SLE confirmed this is before half term and RAR asked that the committee members be informed of the student numbers at day 42.</p>	SLE
16. Confidentiality	No confidential aspects identified.	
17. Date next mtg	Mon, 14 Nov, 4.00pm followed by joint meeting with Audit & Risk Committee & Auditors 5.00pm	

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 18/10/22

Approved & signed by Chair, John Holroyd on 14/11/22